

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Argentina

LOCK-UP REPORT

Oilseeds and Products 2009

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Report Highlights:

Post increases its 2009/10 soybean production forecast to 52 million tons on a planted area of 18.5 million hectares. Post expects 2009/10 soybean yields to be higher due to more first-crop plantings and higher than average rainfall due to El Niño weather patterns. Post revises downward the 2007/08 soybean crush to 11.8 million tons and exports for that crop year have been revised to 31.65 million tons. Post estimates that 2009/10 sunflower area will reach 2 million hectares, with a production of 3.5 million tons. Post increases 2007/08 sunflower crush to 4.2 million tons based on revised data.

Post:

Buenos Aires

Author Defined:**Soybeans:**

Post increases its 2009/10 soybean planted area estimate to 18.5 million hectares. Due to lower planting of wheat -- and lower expectations for corn and sunflowers -- as a result of the previous season's drought conditions, Post expects further acreage shifts from those crops into additional first-crop soybean plantings. Additionally, the effects of continued cattle and pasture displacement onto marginal lands to the northern and western fringes of the humid pampas provinces, as well as an estimated 100,000 hectares of newly converted crop land this year will increase the overall potential area available for soybeans. Planted area could very likely be revised upward in the months to come, possibly surpassing 19 million hectares, depending on the final outcome of area planted with corn and sunflowers. Post contacts indicate a limiting factor for soybean area is a lack of seeds. Due to last year's drought, brown bag seeds will likely have lower germination rates and farmers will probably increase seed rates to compensate. Furthermore, there are reportedly less seeds available this season and Post contacts indicate that, as a result, surpassing 20 million hectares will not be possible.

The 2009/10 soybean crop will likely have much improved yields over last year, which was severely impacted by a major drought. Some reports indicate that the El Niño weather pattern is taking hold in the Pacific. Researchers have noted significant increases in deaths of sea lions along Chile's northern coast, which indicates lower fish populations (the sea lions' food supply) due to increased sea temperatures consistent with the El Niño cycle. El Niño weather patterns bring higher than average rains -- and yields -- to Argentina's main agricultural production areas. Furthermore, overall yields for the 2009/10 soybean crop will likely be higher than most years due to a larger proportion of first-crop vis-à-vis second-crop beans. Post tentatively forecasts 2009/10 soybean production to reach 52 million tons.

Post revises downward the 2007/08 soybean crush and export numbers based on current data. Crush has been revised to 11.8 million tons and exports for that crop year have been revised to 31.65 million tons.

Sunflowerseed:

Post estimates that 2009/10 sunflower area will reach 2 million hectares. Currently, around 10 percent of the expected area has been planted. Producers in the northern provinces of Chaco and Santiago del Estero fell far short of planting levels reached last year – mainly due to dry conditions during the planting window. In addition, Post contacts indicate that planting perspectives have fallen for San Luis, northern La Pampa, Entre Rios, and southern Buenos Aires provinces, limiting the overall planted area from previously anticipated levels due to various factors including: profitability concerns among producers; the presence of birds that can be a significant pest throughout the life-cycle of sunflowers; and lingering moisture concerns for planting in some areas.

Despite a lower than initially expected planted area, Post expects yields to return to historical levels due to improved moisture conditions for the 2009/10 crop year. However, fungal diseases could be a concern for overall yields of the sunflower crop depending on the extent of moisture brought by the expected El Niño conditions. Post tentatively forecasts sunflower production to reach 3.5 million tons.

Post increases the 2007/08 crush output to 4.2 million tons, and lowers ending stocks for that crop year, based on revised data. Post lowers 2008/09 crush to 3.3 million tons based on expected sunflower availability through the end of the marketing year.

PSD Tables:

Oilseed, Soybean (Local) Argentina	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Apr 2008			Market Year Begin: Apr 2009			Market Year Begin: Apr 2010		
	USDA Official Data		New Post	USDA Official Data		New Post	USDA Official Data		Oct
			Data			Data			Data
Area Planted	16,600	16,600	16,600	17,200	17,500	17,200	18,000	18,000	18,500
Area Harvested	16,600	16,600	16,600	16,000	16,800	16,000	18,000	17,800	18,500
Beginning Stocks	1,876	1,876	1,876	4,890	4,460	5,702	325	560	552
Production	46,200	46,200	46,200	32,000	37,500	32,000	51,000	49,000	52,000
MY Imports	2,650	2,650	2,650	1,000	1,000	1,000	500	2,500	500
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	50,726	50,726	50,726	37,890	42,960	38,702	51,825	52,060	53,052
MY Exports	12,124	12,124	11,802	4,150	8,400	4,150	10,970	12,000	12,000
MY Exp. to EU	243	0	243	100	0	100	150	0	100
Crush	32,140	32,570	31,650	32,050	32,500	32,500	37,400	37,000	37,500
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	
Feed Waste Dom. Cons.	1,572	1,572	1,572	1,365	1,500	1,500	1,515	1,600	1,550

[illegible]

Oilseed, Sunflowerseed Argentina			2007			2008			2009		
			2007/2008			2008/2009			2009/2010		
			Market Year Begin: Mar 2008			Market Year Begin: Mar 2009			Market Year Begin: Mar 2010		
			USDA Official Data		New Post	USDA Official Data		New Post	USDA Official Data		Oct
					Data			Data			Data
Area Planted			2,625	2,625	2,625	1,810	2,000	1,810	2,300	2,000	2,000
Area Harvested			2,576	2,620	2,576	1,810	2,000	1,810	2,300	2,000	2,000
Beginning Stocks			1,656	1,657	1,656	2,479	2,407	2,058	1,664	1,656	1,643
Production			4,650	4,650	4,650	2,900	2,950	2,900	4,000	3,500	3,500
MY Imports			109	37	109	115	35	115	70	35	70
MY Imp. from U.S.			0	0	0	0	0	0	0	0	0
MY Imp. from EU			0	0	0	0	0	0	0	0	0
Total Supply			6,415	6,344	6,415	5,494	5,392	5,073	5,734	5,191	5,213
MY Exports			49	50	50	45	50	45	55	50	55
MY Exp. to EU			26	0	26	0	0	0	0	0	0
Crush			3,800	3,800	4,220	3,700	3,600	3,300	3,660	3,800	3,660
Food Use Dom. Cons.			0	0	0	0	0	0	0	0	0
Feed Waste Dom. Cons.			87	87	87	85	86	85	85	86	85
Total Dom. Cons.			3,887	3,887	4,307	3,785	3,686	3,385	3,745	3,886	3,745
Ending Stocks			2,479	2,407	2,058	1,664	1,656	1,643	1,934	1,255	1,413
Total Distribution			6,415	6,344	6,415	5,494	5,392	5,073	5,734	5,191	5,213
CY Imports			110	20	110	187	20	187	70	20	70
CY Imp. from U.S.			0	0	0	0	0	0	0	0	0
CY Exports			46	50	46	45	50	45	55	50	55
CY Exp. to U.S.			0	0	0	0	0	0	0	0	0
TS=TD					0			0			0
Comments			Units in million hectares and million tons								